

Break-Even Analysis Template: Know When You'll Be Profitable

Presented by [Spyglass Accounting & Financial Services](#) – Your Partner in Financial Clarity

Introduction

A **break-even analysis** is the financial compass every business needs. This template helps you calculate exactly when your revenue will cover all costs – the critical moment when you stop losing money and start generating profit.

★ Need help interpreting your results? [Get a free financial consultation →](#)

Break-Even Formula

Break-Even Point (Units) = Fixed Costs ÷ (Price per Unit - Variable Cost per Unit)

Break-Even Point (\$) = Fixed Costs ÷ Contribution Margin Ratio

💡 *Example:* If fixed costs = \$10,000, price = \$50, variable cost = \$30
→ Break-even = 500 units or \$25,000 in revenue

Interactive Break-Even Calculator

Input	Your Numbers
Fixed Costs (monthly)	\$ _____
Variable Costs (per unit)	\$ _____
Selling Price (per unit)	\$ _____
Results	
Break-Even Units	_____
Break-Even Revenue	\$ _____

Key Components Explained

1. Fixed Costs

(Rent, salaries, insurance)

- ✓ Remain constant regardless of sales
- ✓ Typically monthly expenses

2. Variable Costs

(Materials, labor, commissions)

- ✓ Fluctuate with production/sales volume

3. Contribution Margin

(Selling price - Variable costs)

- ✓ Shows how much each sale contributes to fixed costs

✦ *Struggling to categorize costs?* [Our bookkeeping team can help →](#)

Break-Even Analysis in Action

Scenario: Local Bakery

- Fixed Costs: \$6,000/month
- Variable Costs: \$2/cupcake
- Selling Price: \$5/cupcake
→ Must sell **2,000 cupcakes/month** (\$10,000 revenue) to break even

📩 *Want this customized for your business?* [Email our analysts →](#)

5 Ways to Improve Your Break-Even Point

- 1 **Reduce fixed costs** (Negotiate rent, outsource)
- 2 **Increase prices** (With value justification)
- 3 **Lower variable costs** (Bulk discounts, efficiency)
- 4 **Upsell higher-margin products**
- 5 **Increase sales volume** (Marketing, promotions)

✦ Need specific strategies? [Our fractional CFOs can help →](#)

Why This Matters For Your Business

- ✓ Set realistic sales targets
- ✓ Evaluate pricing strategies
- ✓ Assess business viability
- ✓ Prepare for funding requests

Why Choose Spyglass?

- ✓ Small business financial specialists
- ✓ Custom financial modeling
- ✓ Profitability optimization
- ✓ Clear, actionable reports

[Explore Our Financial Analysis Services →](#)

✦ Profitability starts with understanding your numbers. [Let's talk →](#)

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